

STATE OF INDIANA       )  
                                  ) SS:  
COUNTY OF MARION     )

IN THE MARION CIRCUIT COURT  
  
CAUSE NO. 49C01-0712-PL-051508

STATE OF INDIANA,                     )  
  )  
                  Plaintiff,             )  
  )  
                  v.                     )  
  )  
PMA ENTERPRISES, INC., doing        )  
business as DREAM AUDIO WORKS,    )  
STEPHEN BRADLEY TAYLOR,            )  
ANDREW J. CRON,                     )  
MATTHEW D. JARVIS,                  )  
RYAN P. CRON,                        )  
BRADLEY S. FOUTS,                   )  
TOM HUYNH,                           )  
PAUL MICHAEL ALLEN, and            )  
JOHN DOES 1-10,                     )  
  )  
                  Defendants.            )

FILED  
FEB 10 2008  
CLERK OF COURT  
MARION COUNTY, INDIANA

**PLAINTIFF'S FIRST AMENDED COMPLAINT**  
**FOR INJUNCTION, RESTITUTION, COSTS, AND CIVIL PENALTIES**

The Plaintiff, State of Indiana, by Attorney General Steve Carter, Deputy Attorney General Justin Hazlett, and Deputy Attorney General January Porteus, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1, *et seq.*, for injunctive relief, consumer restitution, costs, civil penalties, and other relief.

**PARTIES**

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5-0.5-4(c).
2. At all times relevant to this Complaint, the Defendant, PMA Enterprises, Inc., doing business as Dream Audio Works (hereinafter "PMA Enterprises, Inc."), was a Michigan

corporation with a principal place of business in Indiana at 8760 East 33<sup>rd</sup> Street, Indianapolis, Indiana 46226, which transacted business with Indiana consumers.

3. At all times relevant to this Complaint, the Defendant, Stephen Bradley Taylor, was an employee and an agent of PMA Enterprises, Inc. who solicited and transacted business with Indiana consumers.

4. At all times relevant to this Complaint, the Defendant, Andrew J. Cron, was an employee and an agent of PMA Enterprises, Inc. who solicited and transacted business with Indiana consumers.

5. At all times relevant to this Complaint, the Defendant, Matthew D. Jarvis, was an employee and an agent of PMA Enterprises, Inc. who solicited and transacted business with Indiana consumers.

6. At all times relevant to this Complaint, the Defendant, Ryan P. Cron, was an employee and an agent of PMA Enterprises, Inc. who solicited and transacted business with Indiana consumers.

7. At all times relevant to this Complaint, the Defendant, Bradley S. Fouts, was an employee and an agent of PMA Enterprises, Inc. who solicited and transacted business with Indiana consumers.

8. Plaintiff is unaware of the true names of Defendants sued as John Does 1 through 10, inclusive, and the extent of their wrongful conduct, and therefore sues these defendants by such fictitious names. Plaintiff will seek leave of the Court to amend this complaint to allege their true names and capacities when ascertained.

9. When, in this Complaint, reference is made to “salespeople,” such term shall be deemed to mean Defendants Stephen Bradley Taylor, Andrew J. Cron, Matthew D. Jarvis, Ryan P. Cron, Bradley S. Fouts, and John Does 1-10, acting individually or collectively.

10. At all times relevant to this Complaint, the Defendant, Tom Huynh, was the manager of PMA Enterprises, Inc. and was active in its management and operations. As manager, Huyhn has controlled and directed the affairs of the corporation, including PMA Enterprises, Inc.’s sales practices, and has used the defendant corporation for the purpose of misleading and deceiving Indiana consumers as set forth herein.

11. At all time relevant to this Complaint, the Defendant, Paul Michael Allen, was the owner of PMA Enterprises, Inc. and was active in its management and operations. As owner, Allen has controlled and directed the affairs of the corporation, including PMA Enterprises, Inc.’s sales practices, and has used the defendant corporation for the purpose of misleading and deceiving Indiana consumers as set forth herein.

12. When, in this Complaint, reference is made to any act of Defendants, such allegations shall be deemed to mean that the principals, agents, or employees of Defendants did or authorized such acts to be done while actively engaged in the management, direction, or control of the affairs of Defendants and/or while acting within the scope of their duties, employment, or agency.

### **FACTS**

13. At least since September 2006, the Defendants have solicited and engaged in consumer transactions involving “Matrix” and “Genesis” branded home audio equipment. During this time, the Defendant salespeople have solicited the sale of the home audio equipment

to Indiana consumers in public places, such as parking lots and truck stops, from trucks bearing Michigan license plates registered to PMA Enterprises, Inc.

14. As part of their solicitations, the Defendant salespeople represented to consumers that the Matrix and Genesis home audio equipment was “high-end” equipment that they would sell to consumers at a “discounted” price. As part of these representations, the Defendant salespeople presented consumers with:

- a. an MSRP (Manufacturer’s Suggested Retail Price) price printed on the equipment boxes from \$2,199.00 to \$4,499.00 per unit;
- b. magazines containing similar MSRP prices to those printed on the box;
- c. documentation claiming the equipment was “high definition”;
- d. multiple industry awards and other statements including “the professionals [sic] choice” printed on the equipment boxes, indicating that the equipment was of a particularly high quality; and
- e. a Dolby Digital trademark.

15. In truth and in fact, the Matrix and Genesis home audio equipment sold by the Defendants:

- a. is estimated to have a value of not more than \$300.00 per unit;
- b. does not have an HDMI connection;
- c. is not the recipient of the industry awards printed on the equipment boxes, and does not have the benefits or characteristics otherwise portrayed by the box markings; and
- d. is not licensed by Dolby Laboratories, Inc., the owner of the Dolby Digital trademark, to display the Dolby Digital trademark.

16. To further their scheme to deceive consumers, the Defendant salespeople represented to consumers that the Defendant PMA Enterprises, Inc. had mistakenly ordered and loaded the Matrix and Genesis branded audio equipment into their delivery trucks. The Defendant salespeople further represented that their supervisor, Defendant Tom Huynh, had instructed them to sell the equipment at a discount. To corroborate their representations, the Defendant salespeople showed consumers a "packing slip" purporting to demonstrate that the equipment was mistakenly ordered and could not be returned to the equipment's distributor. The Defendant salespeople also had consumers who questioned their story call Defendant Tom Huynh, who confirmed the story.

17. To hide their activities and to further their deception, the Defendant salespeople gave consumers sales receipts with a false phone number and address on it.

18. Despite their representations, the Defendants loaded the Matrix and Genesis home audio equipment onto the Defendants' trucks with the intention of selling the equipment to consumers using the representations described above.

19. Based upon these representations and deceptions, Indiana consumers including, but not limited to, the following consumers purchased home audio equipment from the Defendant salespeople on or about the following dates for the following amounts:

- |    |   |          |
|----|---|----------|
| a) | Mr. Karim Abdelkader<br>Bloomington, Indiana, February 27, 2006 | \$800.00 |
| b) | Mr. Keith Herring<br>Indianapolis, Indiana, March 28, 2007      | \$200.00 |
| c) | Mr. Brian Bowers<br>Avon, Indiana, May 31, 2007                 | \$250.00 |

d)	Mr. Kevin Brokamp Indianapolis, Indiana, June 5, 2007	\$320.00
e)	Mr. Joseph C. Heckman Indianapolis, Indiana, October 18, 2007	\$800.00
f)	Mr. Russell Hornaday Greenwood, Indiana, September 9, 2007	\$1,100.00
g)	Mr. Charles Strange Fishers, Indiana, August 29, 2007	\$240.00
h)	Mr. Steven Brown Indianapolis, Indiana, October 22, 2007	\$500.00
i)	Mr. Chad Wilkins Bloomington, Indiana, October 30, 2007	\$710.00
j)	Mr. Ryan McDonnough Indianapolis, Indiana, October 26, 2007	\$230.00
k)	Mr. Richard Snider Fort Wayne, Indiana, December 19, 2007	\$1,500.00
l)	Mr. Matthew R. Feldmeyer Bloomington, Indiana, July 3, 2007	\$400.00
m)	Mr. Ryan T. Andrews Decatur, Indiana, December 31, 2007	\$200.00
<b>TOTAL:</b>		<b>\$7,250.00</b>

20. On May 31, 2007 Defendant Andrew J. Cron solicited consumer Brian Bowers in Avon, Indiana and sold Mr. Bowers home audio equipment.

21. The Town of Avon, Indiana Code of Ordinances requires that any direct seller acquire a daily peddler's permit prior to selling in the Town of Avon.

22. Andrew J. Cron did not have this permit on May 31, 2007.

**COUNT I – VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT**

23. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 through 22 above.

24. The transactions referred to in paragraph 19 are “consumer transactions” as defined by Ind. Code § 24-5-0.5-2(a)(1).

25. The Defendants are “suppliers” as defined by Ind. Code § 24-5-0.5-2(a)(3).

26. The Defendants’ representations to consumers that the home audio equipment had sponsorship, approval, performance, characteristics, accessories, uses, or benefits the Defendants knew or reasonably should have known the equipment did not have, referred to in paragraphs 13 and 14, constitute violations of the Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(1).

27. The Defendants’ representations to consumers that the home audio equipment was of a particular standard, quality, grade, style, or model the Defendants knew or reasonably should have known it was not, referred to in paragraphs 14 and 15, constitute violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(2).

28. The Defendants’ representations to consumers that a specific price advantage existed as to the home audio equipment, when the Defendants knew or should have known it did not, referred to in paragraphs 14 -18, constitute violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(6).

29. The Defendants’ representations to consumers that the representations on or within the home audio equipment’s packaging or in advertising or promotional materials were true, when the Defendants knew or had reason to know that such representations were false, referred to in paragraphs 14 and 15, constitute violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(b).

30. The Defendant, Andrew J. Cron, engaged in a consumer transaction without a permit or license as required by law, referred to in paragraphs 20-22, which constitutes a violation of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-10(a)(1)(C).

**COUNT II – KNOWING AND INTENTIONAL VIOLATIONS OF  
THE DECEPTIVE CONSUMER SALES ACT**

31. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 through 30 above.

32. Defendants committed the misrepresentations and deceptive acts set forth in this complaint with knowledge and intent to deceive.

**RELIEF**

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the Defendants, PMA Enterprises, Inc. doing business as Dream Audio Works, Stephen Bradley Taylor, Andrew J. Cron, Matthew D. Jarvis, Ryan P. Cron, Bradley S. Fouts, Tom Huynh, Paul Michael Allen, and John Does 1-10, for a permanent injunction pursuant to Ind. Code § 24-5-0.5-4(c)(1), enjoining each from the following:

- a. representing expressly or by implication that the subject of a consumer transaction has sponsorship, approval, characteristics, accessories, uses, or benefits it does not have which the Defendants know or reasonably should know it does not have;
- b. representing expressly or by implication that the subject of a consumer transaction is of a particular standard, quality, grade, style, or model, if it is not and if the Defendants know or reasonably should know that it is not;



- c. representing expressly or by implication that a specific price advantage exists as to the subject of a consumer transaction, if it does not and if the Defendants know or reasonably should know that it does not.
- d. representing expressly or by implication that any representation on or within a product or its packaging or in advertising or promotional materials, is true if the Defendants know or have reason to know that such representation is false;
- e. engaging or soliciting to engage in a consumer transaction without a permit or license as required by law.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendants, PMA Enterprises, Inc. doing business as Dream Audio Works, Stephen Bradley Taylor, Andrew J. Cron, Matthew D. Jarvis, Ryan P. Cron, Bradley S. Fouts, Tom Huynh, Paul Michael Allen, and John Does 1-10, for the following relief:

- a. consumer restitution, pursuant to Ind. Code § 24-5-0.5-4(c)(2), for reimbursement of all unlawfully obtained funds remitted by consumers for the purchase of items from the Defendants, including but not limited to the consumers identified in paragraph 19, in an amount to be determined at trial;
- b. costs, pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;
- c. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-4(g), for the Defendants' knowing violations of the

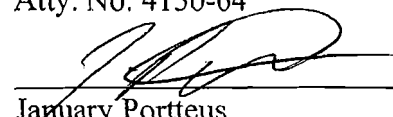
Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars  
(\$5,000.00) per violation, payable to the State of Indiana;

- d. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind.  
Code § 24-5-0.5-8, for the Defendants' intentional violations of the  
Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars  
(\$500.00) per violation, payable to the State of Indiana; and
- e. all other just and proper relief.

Respectfully submitted,

STEVE CARTER  
Indiana Attorney General  
Atty. No. 4150-64

By:


  
January Portteus  
Deputy Attorney General  
Atty. No. 25741-49

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**CERTIFICATE OF SERVICE**

The undersigned attorney hereby certifies that she has this 1st day of February, 2008, mailed a copy of the foregoing to all parties or the attorneys of record for all other parties in this action by placing same properly addressed in the U.S. Mail with sufficient postage to insure delivery.

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Deputy Attorney General